

ICTF Advisory Committee  
January 21, 2005, 1:00pm  
Summary of Proceedings

Advisory Committee Members in Attendance

David Tatum, Children's Healthcare of Atlanta  
Brenda A. Josey, Wheeler County Hospital  
Ted Holloway, Division of Public Health  
Charlotte Vestal, Crisp Regional  
Suzanne Heck, Memorial Health  
Rhonda Perry, MCCG  
Teresa Finch, Grady Health System  
Chuck Orrick, Donalsonville Hospital

DCH Representatives in Attendance

Carie Summers  
Neal Childers  
Jim Connolly  
David Riddle  
Brenda High  
Matthew Jarrard  
Richard Greene

Other Attendees

Randy Rehn, GA Dept of Audits  
Michelle Nichols, GA Dept of Audits  
Clint Eidson, GA Dept of Audits  
Dominique Bennett, Athens Regional  
Kerry Loudermilk, Phoebe Putney  
Linda Nicholson, N. E. GA Medical Center  
Bryan Forlines, MCCG  
James Moody, Donalsonville Hospital  
Mike Spivey, Spivey/Harris  
Bob McVicker, MCG Health  
Ozzie Gilbert, Grady Health System  
Helen Sloat, Nelson Mullins  
Gary B. Redding, Aon Consulting, Inc.  
Webb Cochran, Tenet Healthcare  
Jean Aycock, Oconee Regional Med Ctr  
Hans Schermerhorn, Memorial Health  
Julie Windom, GA Alliance of Comm. Hospitals  
Jason Broce, Children's Healthcare of Atlanta  
Esther Bailes, Southern Regional Medical Center  
Brooke Moore, Emory Healthcare

Doug Moses, Children's Healthcare of Atl.  
Tim Beatty, Wellstar Health System  
Lindsay Lisoski, Wellstar Health System  
Lawton Davis, DHR/PH  
Jesus Ruiz, Sunlink Healthcare  
Kevin Herbert, DeKalb Medical Center  
Rick Langosch, Berrien County Hosp  
Bill Henning, Tenet Health System  
Charles Brumeloe, Columbus Regional  
Jimmy Lewis, Hometown Health, LLC  
Wayne Martin, Crisp Reg.  
James Clements, South Fulton Med Ct  
Chris Hummer, South Fulton Med. Ctr.  
Glenn Pearson, GHA  
Anne Finlon, Rockdale Medical Center  
Cal Calhoun, GHA

Carie Summers called the meeting to order at 1:05 p.m. and indicated that the Department expected that additional advisory committee meetings will be scheduled in the immediate future. Copies of an agenda and related handouts were distributed to committee members and all others in attendance. The following information summarizes discussions by agenda topics.

#### Notice of Interim Payments

Ms. Summers reviewed the method by which interim ICTF payments were calculated, as referenced in a memorandum from Commissioner Burgess that was sent to ICTF hospitals on January 12. With regard to the time schedule for payments, Ms. Summers advised the committee that interim payments were to be processed by the Department on the evening of January 21 and that ICTF payments should reach hospital bank accounts in about 1 or 2 business days. Ms. Summers also noted that final FY 2005 DSH payments were contingent on the completion of additional on-site reviews and were not expected any earlier than June 2005.

#### Initial Verification of SFY2005 ICTF Data / Committee Feedback about Review Process / Additional Verification of SFY2005 ICTF Data

Jim Connolly reviewed a comparison of data sources used in the determination of DSH limit amounts for State fiscal years 2004 and 2005, indicating that any changes were based on recommendations from the ICTF advisory committee work group that suggested changes to the Hospital Financial Survey report or that were required by CMS. In related discussions, Department staff confirmed that the method by which funds were allocated among eligible hospitals was identical for 2004 and 2005. Randy Rehn provided an overview of the process by which the Georgia Department of Audits conducted onsite reviews of hospital documentation, in accordance with agreed upon procedures established by the Department of Community Health. With the Department planning to conduct additional onsite reviews, committee members were asked to comment on their experiences with reviews conducted to date as well as recommendations regarding the additional reviews. During discussions, committee members expressed concerns about whether hospitals were completing the survey in a consistent manner

and/or in accordance with report instructions, whether report instructions were sufficiently detailed and whether consistent standards were applied during onsite reviews. Department representatives and committee members were in agreement in recognizing two different time tables for planning purposes. There was an immediate need to finalize data for the 2003 reporting period so that State fiscal year 2005 ICTF distributions could be completed, but additional time could be used to improve the reliability of data for the 2004 reporting period that hospitals have not yet submitted. A consensus was reached regarding the following proposals:

- Committee members would submit comments as soon as possible regarding specific problems with 2003 reporting instructions or with the consistency of standards for onsite reviews. During the meeting, the following issues were identified as areas that required further clarification by the department:
  - Definition of hospital services (e.g., how are hospital-based clinics and pharmacy services treated?)
  - Cash receipts for Medicaid - (e.g., should DCH prospective payments be included?)
  - Source of cost-to-charge ratios (e.g., HFS or Medicaid cost reports?)
  - Sources of patient level detail (e.g., compiled by discharge date or date posted to patient account?)
  - Definition of uninsured patients (e.g., when is a patient considered uninsured if they have reached the maximum coverage on their health insurance?)
- The Department would review any comments received for use in clarifying instructions that would be provided to the Department of Audits.
- For initial onsite reviews that were already performed by the Department of Audits, additional changes to the review findings would be limited to items addressed in the clarifying instructions. Hospitals included in these reviews would not have an opportunity to submit data corrections or request any additional changes.
- For additional onsite reviews to be conducted, the Department of Audits would consider any clarifying instructions that the Department may provide. If a hospital has retained detailed documentation supporting data reported in the 2003 Hospital Financial Survey, the onsite review will be limited to the retained documentation and no data correction requests will be considered. If a hospital has not retained detailed documentation and must now produce such documentation, any updates or corrections reflected in the newly produced data will be considered during the review.
- Future meetings of the advisory committee will be scheduled in the immediate future in order to review the 2004 Hospital Financial Survey report and instructions.
- The requirement for an independent CPA firm's attestation regarding hospital reported data used in ICTF calculations should be implemented. Related discussion items for this matter included that the requirement has been deferred in response to prior committee recommendations, the potential additional cost to be incurred by hospitals and challenges that a CPA firm may face in completing procedures that may be required.

In addition to the items summarized above, there were three additional committee requests to which the Department promised to respond. The first item concerned the review of data sources used in DSH limit calculations, with Suzanne Heck inquiring as to whether documentation was available regarding prior committee recommendations that the Hospital Financial Survey should be the source of cost to charge ratios for Medicaid calculations. The second item was a request for the Department to make public the data provided by each hospital in their completion of the

Hospital Financial Survey. The third item concerned the required attestation for data used in ICTF calculations, and committee members recommended that the Department request comments from Lin Harris of Draffin & Tucker, since Mr. Harris had commented about potential challenges during previous considerations of the attestation requirement. Committee members and other attendees were asked to send the Department needed clarifications of definitions used in future Hospital Financial Surveys.

#### Future Meetings for State Fiscal Year 2006 ICTF Planning

In addition to the issue of addressing the Hospital Financial Survey report and instructions in future meetings, Ms. Summers also advised the committee about another issue that may need to be addressed. The federal Centers for Medicare and Medicaid Services (CMS) provides the federal funds as an allotment for Disproportionate Share Hospital (DSH) payments. In the ICTF program, the Department relies on intergovernmental transfers made on behalf of participating public hospitals as the source of state matching funds. These transfers are made at 50% of the amount of ICTF payment that the public hospital may receive, which is more than the funds needed for the payment to the public hospital. The transfer funds in excess of amounts needed for payments to public hospitals are used to support ICTF payments to private hospitals, for support of services provided in expanded categories of Medicaid eligibility and to ICTF-related programs operated by the Georgia Department of Human Resources. CMS representatives have advised the Department that, effective in State Fiscal Year 2006, it may no longer accept intergovernmental transfers in excess of the rate needed (approximately 40%) for local matching funds for payments to public hospitals. Ms. Summers reported that this CMS directive had been provided verbally and that a promised written confirmation was expected immediately. If the Department is no longer able to rely on the availability of intergovernmental transfers at the same rate as provided currently, significant changes could be required for the State fiscal year 2006 program. CMS also has inquired about the ICTF requirement that 15% of DSH payments be directed toward primary care programs. CMS continues to seek assurance by all states that supplemental payments to providers (including DSH and UPL) are retained for the provider's use. While CMS has not provided any directives in writing to DCH, the department is concerned that the primary care requirement may not comply with CMS' stipulation about providers retaining all of their DSH payments. The department will continue to work with CMS to get clarification on this subject and in the event a change is necessary, will seek CMS' approval for a prospective remedy.

As an additional item regarding future committee meetings, the Department agreed to a request by Charlotte Vestal that an agenda be distributed to members prior to future meetings.

#### Election of Chairperson and Vice-Chairperson

As discussed at the prior committee meeting, members were asked to elect a chairperson and vice-chairperson. David Tatum and Teresa Finch were nominated for the chairperson position, and each candidate received four votes. Since neither candidate had received a majority, the committee agreed to reconsider the election at the next meeting when additional members may be in attendance.